



BCIDA

Broome County Industrial Development Agency P.O. Box 1510, Binghamton, NY 13902-1510

APPLICATION FOR TAX EXEMPTION – LEASE TRANSACTIONS

Date: January 7, 2013

Company Name: UPSTATE SK, LLC (and/or its affiliates or assigns)

Address: 286 North Main Street, Suite 308,
Spring Valley, New York 10977

Contact Person: Catherine M. Martinez telephone: 845-336-3500, Ext. 3142

List the name and address of the individual or company to appear on the lease

Name: UPSTATE SK, LLC (or its affiliates or assigns)

Address: 286 North Main Street, Suite 308
Spring Valley, New York 10977

BUSINESS INFORMATION

Date Established Articles filed 02/01/2011

Principal Business Activity (Real Estate) Holding Company

Number of Present Employees N/A Full-time _____ Part-time _____
[Note: Current Nursing Home employees are associated with the Operating entity,
VRNC, LLC—see below]

Type of Organization: Corporation ☐ Public ☐ Private ☒ Partnership ☒
Sole Proprietorship ☐

Name of [Project-Related] Affiliates and/or Subsidiaries

Sheedy Road, LLC; Juneberry Road, LLC;

VRNC, LLC – d/b/a Vestal Park Rehabilitation and Nursing Center, 1 Hillcrest Center Drive, Suite #225, Spring Valley, NY 10977; it was formed 12/22/2010 [this is the Operating entity]

COMPANY OFFICERS		
Name	Office Member	% Ownership
Efraim Steif	Member	50%
Uri Koenig	Member	50%

Total amount of tax exempt industrial revenue bonds presently outstanding in the name of the individual(s), company, and any parent, affiliate or subsidiary

N/A

Legal Counsel	Accountant
Name: Hinman, Howard & Kattell, LLP (Harvey D. Mervis / Kenneth S. Kamlet)	Name: Martin Friedman & Co. Moshe Weisz, Partner
Address: 700 Security Mutual Bldg. 80 Exchange Street, PO Box 5250 Binghamton, NY 13902-5250	Address: 2604 Nostrand Ave Brooklyn, NY 11210
Phone: (607) 723-5341	Phone: (718) 338-6900 - Work

PROJECT DATA

1. Attach complete narrative description of project including location, proposed product lines and market projections, square feet by usage, type construction, machinery for products, machinery for building, office, parking HVAC, and any items for which bond proceeds will be expended. **(Exhibit A)**.
2. Attach a photo of the site or existing facility to be improved. **(Exhibit B)**.

3. Attach copies of preliminary plans or sketches of proposed construction of floor plan of existing facility (**Exhibit C**).
4. Attach environmental assessment form (**Exhibit D**).
5. Are utilities on site or must they be brought in? If so, which ones?
Utilities are available at the property (only hook-ups are required)
6. Who presently is legal owner of building or site? Rambo Realty, LLC (no building currently exists on the site)
7. Is there an existing or proposed lease for all or a portion of the project?
Yes ☐ No ☒ If so, attach copy.
8. Is there a purchase option in force or other legal or common control in the project which is described under the bond proposal? If so, detail on attached sheet. No—other than the June 5, 2012 Real Estate Contract, under which Upstate SK, LLC will purchase the subject property from Rambo Realty, LLC, after all contingencies are satisfied.
9. If Applicant will not occupy 100% of the building in a real estate related transaction, provide a list of all tenants. N/A
10. Is owner or tenant(s) responsible for payment of real property taxes?
Owner (no tenants)

EMPLOYMENT AND TAX INFORMATION

All applicants must answer the following as they pertain to the County in which the project is located. For start up companies or new real estate projects, please provide estimates for #9. If a question is not applicable, answer N/A. **Provide total employment of each tenant in building for multi-tenant properties.**

IF ALL QUESTIONS ARE NOT ANSWERED, THE APPLICATION CAN NOT BE CONSIDERED.

1. Project location (county) Broome
2. Current employment in county 135 FTEs
3. Projected 1st year new employment in county 100 – 115 FTEs
4. Projected 3rd year total employment in county 235 – 250 FTEs

5. Current payroll in county \$4,570,000
6. Projected 1st year new payroll in county \$3,390,000 - \$3,900,000
7. Projected 3rd year total payroll in county \$7,966,000 - \$8,475,000
8. Current annual real property tax payments made within county (include total of taxes paid to County, Town/ Village/City, School District and any Special District Charges or PILOT Payments) \$89,000+/- (prior to flood damage)
9. Additional estimated tax payments (for start-ups/new real estate projects only)
To be determined [based on a gross square footage comparison, new property tax payments could be as much as 1.4 to 1.5 times the current levels]

PROJECT COSTS

1. Give an accurate estimate of cost or value of all items whose title will be transferred to the Broome County IDA.

	Amount
Land & building (current value or cost if new construction)	Land \$900,000 Building - \$30,000,000+/-
Proposed Additions	\$
Renovations	\$
Engineering Fees	\$ 900,000
Legal & Financial Charges	\$ 1,609,300
Other (specify) – BCIDA Fee	< / = \$310,000
TOTAL PROJECT COST (OR VALUE)	\$35 - \$40 million
Project related costs subject to sales tax	~\$18 million*
Total amount of mortgage(s) currently outstanding on property	N/A
Amount of new mortgage(s) required for project	\$29,260,000

*Estimated based on projected building costs less labor

2. List Financing Sources

NYS Department of Health – HEAL Grant - \$9.2 million

U.S. Department of Housing & Urban Development (HUD)
mortgage - \$29,260,000

3. Is there a commitment for financing? DOH – Yes; HUD - Pending

If so, give name, address and copy of commitment [**Exhibit E**], if available.

Name: NYS Department of Health
Attn: Mr. Barry Gray
Address: (email) – bmg01@health.state.ny.us
Phone: (518) 473-4700

CERTIFICATION

Efraim Steif

(name of chief executive officer of company submitting application) deposes and says that he is the **Managing Member** of, the corporation named in the (company name) attached application; that he has read the foregoing application and knows the contents thereof; that the same is true to his knowledge.

Deponent further says that the reason for this verification is made by the deponent and not by **Upstate SK, LLC** (company name) is that the said company is a corporation/LLC. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge, are investigation which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of, and from the books and papers of, said corporation.

As an officer of said corporation (hereinafter referred to as the "applicant") deponent acknowledges and agrees that applicant shall be and is responsible for all costs incurred by the Broome County Industrial Development Agency (hereinafter referred to as the "Agency") in processing the application, in negotiating with the applicant and others, in preparing necessary financing documents, and in taking any other action necessary or appropriate toward the issuance of the lease requested in this application. If, for any reason whatsoever, the applicant fails to conclude or consummate necessary negotiations or fails to act within a reasonable or specified period of time to take reasonable, proper, or requested action or withdraws, abandons, cancels, or neglects the application or if the Agency or applicant are unable consummate this transaction and execute the lease, then upon presentation of invoice, applicant shall pay to the Agency, its agents, or assignees all actual costs incurred by the Agency with respect to the application, up to that date and time, including fees of general counsel for the Agency.

An origination fee of \$1,000.00 shall, at the time of the execution of this certification, be payable to Broome County Industrial Development Agency. This origination fee is nonrefundable, regardless of whether the lease hereunder fails to close for

reasons beyond either your control or the control of the Broome County Industrial Development Agency.

If the lease transaction hereunder closes, then upon the happening of that event, the \$1,000.00 so paid shall be credited to the agency fee hereinafter referred to.

Upon execution of the lease applied for herein, the applicant agrees to pay the Agency a fee in such amount as shall be set by the Agency, not to exceed an amount equal to 1% of the aggregate cost of the project or value of the assets outlined on page 4 of this application.

The applicant acknowledges that the project must at all times be in compliance with all Federal, State and Local statutes, ordinances, rules and regulations including, but not limited to, Immigration and Naturalization Laws, Civil Rights Laws, Occupational Health and Safety Administration(OSHA), NYS Labor Law, Workers Compensation Law, Unemployment Insurance Law, and Disability Benefits Insurance Law.

CERTIFICATION

The applicant will be required to certify to the Agency quarterly, in such manner as the Agency shall in its discretion require, that the project is full compliance with such statutes, ordinances, rules and regulations. An applicant failing to provide proper and accurate certification as required by the Agency shall be subject to termination of benefits received from, by or through the Agency and may, in the Agency's discretion, be required to reimburse the Agency and/or any effected taxing jurisdictions for benefits received including, but not limited to sales and use tax exemptions, mortgage tax exemptions and real property tax abatements.

The Agency believes that public benefits accruing from the Agency's programs and policies should be used to advance the overall employment and economic opportunities within the Broome County and surrounding areas. This policy is best advanced when companies which benefit from the Agency's programs and policies employ New York State residents in general, and Broome County residents in particular, during the construction phase of any Agency sponsored project.

To the extent practicable, the Agency strongly encourages applicants to employ local labor, contractors and suppliers in the development of projects that benefit from the Agency's assistance and to afford local contractors an opportunity to participate in such projects. The term "local," for purposes of this application, shall be defined to include Broome, Tioga, Chenango, Delaware, Cortland and Tompkins counties. The implementation of this policy will best advance the economic interests of the residents of Broome County.



Chief Officer / Managing Member of Company Submitting

Notary

Sworn to before me this 7th day of January 2013.

M. Szwerin
(Seal)

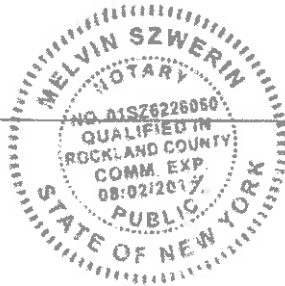


EXHIBIT A

*NEW CONSTRUCTION
STANDARD PILOT*

Narrative Description of Project

Vestal Park Rehabilitation and Nursing Center (VPRNC) is a reconstruction and expansion of the former **Vestal Nursing Center**, 860 Old Vestal Road, Vestal, NY (**VNC**). VNC was formerly a 180-bed NYSDOH-licensed skilled nursing facility.

Located near the Susquehanna River, it sustained substantial flood damage in both 2006 and 2011. In both instances, VNC's residents had to be evacuated to temporary nursing facilities in the region. The old VNC is currently abandoned and its residents have been relocated to NYSDOH-approved "temporary" facilities at: Willow Point Nursing Home (60 beds) and Greater Binghamton Health Center (50 beds).

Through a Certificate of Need process, VNC has received approval from NYSDOH to "reconstruct & expand" its facilities on a new site—VPRNC, 1501 Route 26S, Vestal, NY (at the northwest corner of SR 26 and West Sheedy Road).

Upstate SK, LLC has entered into a contract to purchase the 19.04-acre site on which VPRNC is to be located. The site is to be subdivided into two parcels: (a) a 14.606+/- -acre lot [shown as "Lot #2" on the engineering plans] on which the building and parking facilities are to be located; and (b) a 4.437+/- -acre lot [shown as "Lot #1" on the engineering plans] on which stormwater management and other ancillary facilities are to be located. The larger parcel (Lot #2) will be owned by an affiliated entity, **Sheedy Road LLC**. The smaller parcel (Lot #1) will be owned by a second affiliated entity, **Juneberry Road LLC**. VPRNC will be operated by an operating entity, **VNRC, LLC**.

VPRNC will be developed as a 148,400+/- square foot, new multi-use senior long-term care campus consisting of three NYSDOH-licensed health-related facilities, each with separate public entrances:

- a. A 160-bed **Skilled Nursing Facility (SNF)**, a 2-story, slab-on-grade structure occupying 119,250 square feet;
- b. A 40-bed **Assisted Living Program (ALP)**, a 1-story slab-on-grade structure containing 24,978 square feet; and
- c. A 31-registrant **Adult Day Care Health Program (ADHCP)**, a 1-story slab-on-grade structure containing 4,168 square feet.

The construction type will be 2b, non-combustible with an automatic sprinkler system complying with NFPA 13. The HVAC system will be gas-fueled air handling units for common areas and individual heat pumps for the resident rooms.

On-site parking, subdivided into three parking lots (serving the three public entrances) is provided for 198 vehicles (including 60 visitor spaces). An additional loading zone is provided for two tractor-trailers.

Although the former VNC was a 180-bed facility, it is currently abandoned, with some of its residents (about 61%) and a portion of its staff temporarily relocated to other Broome County facilities. Absent the development of a new facility (with the assistance of the requested BCIDA tax exemption), the County's nursing home capacity will be reduced, and the associated revenues, and jobs will be permanently lost to Broome County and the Town of Vestal.

A tax abatement is eminently justified for this project, based not only on the flood losses incurred at the former VNC site, but because a sizable portion of the overall

VPRNC site (more than 9 acres of the total 19 acres) are undevelopable because of steep slopes and FEMA-designated floodplains.

EXHIBIT B – SITE PHOTOS

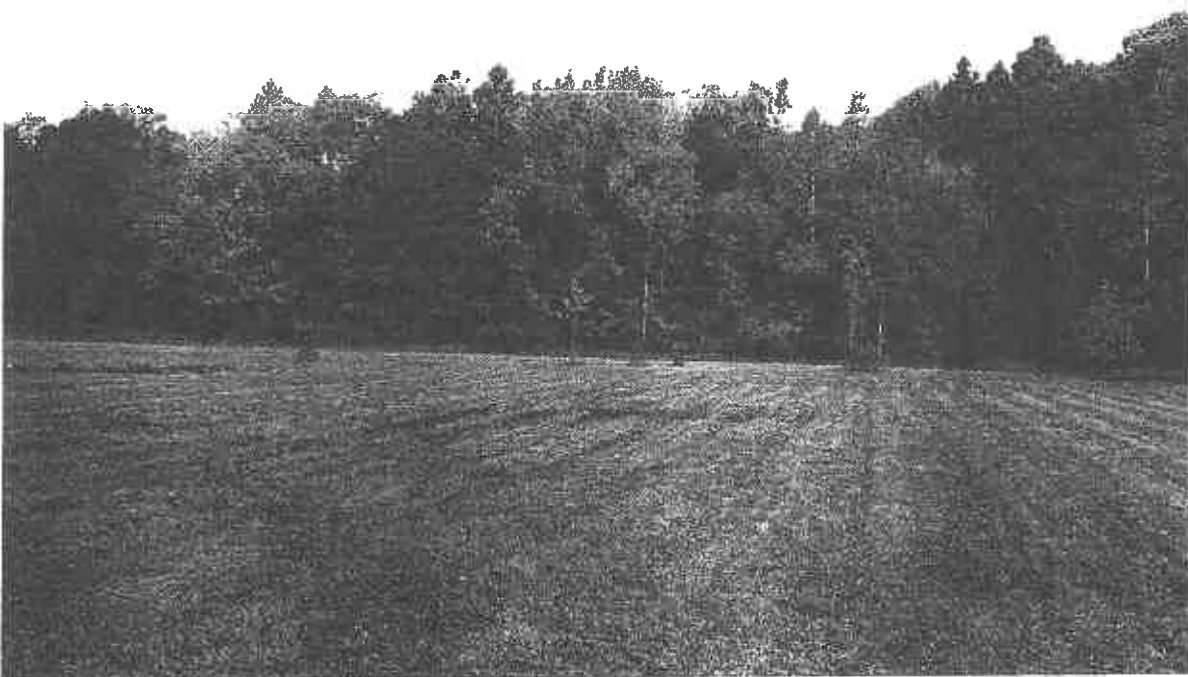
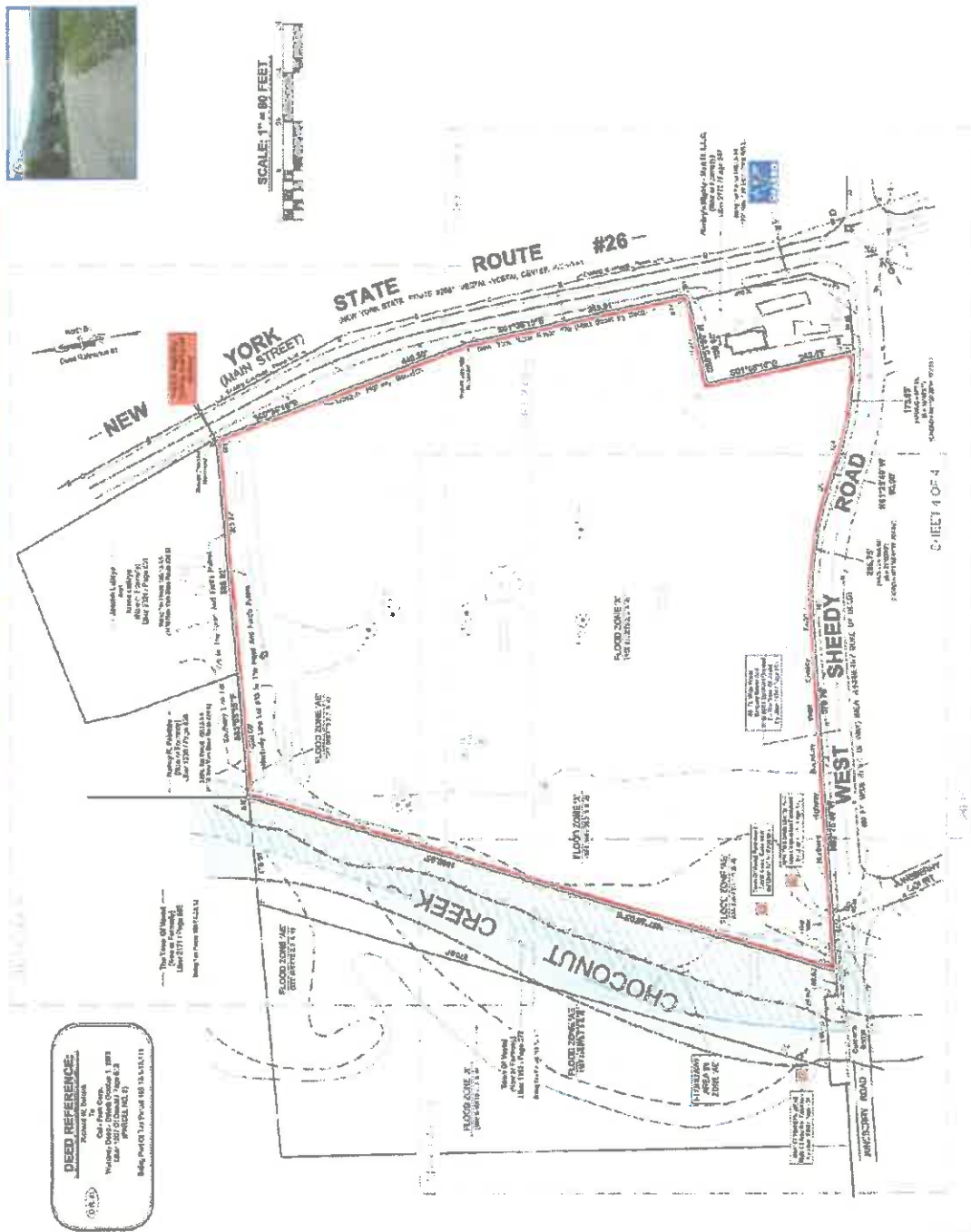
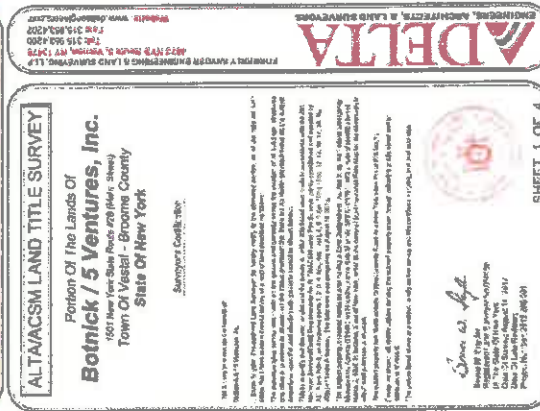


Figure 1: Flat area on which construction is to occur



Fig. 2: Sloped area looking down toward flat area

[illegible]



[illegible]

"CURRENT FEMA FLOOD ZONES AS OF MARCH 2, 1998"

Portion Of The Lands Of
Botnick / 5 Ventures, Inc.
1517 New York 3 and Richey (Also Secured)
Town Of Vespat - Broome County
State Of New York

DELTA
 COMMERCIAL, RESIDENTIAL & LAND SURVEYING
 1000 Route 9, Suite 100, Larchmont, NY 10593
 Tel: 914.833.4200
 Fax: 914.833.4202
 Website: www.deltasurvey.com



1 SKILLED NURSING FACILITY: MAIN ENTRY



2 ASSISTED LIVING PROGRAM & ADULT DAY HEALTH CARE PROGRAM: MAIN ENTRY

EXTERIOR FINISHES:



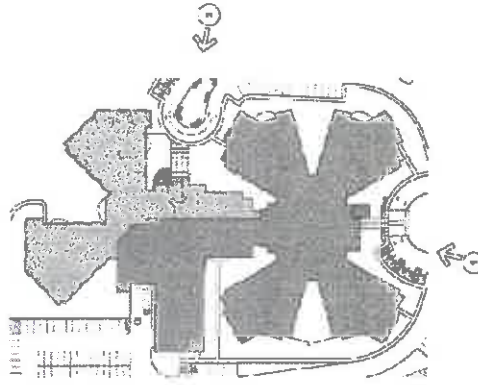
HORIZONTAL CEMENT
FIBERBOARD SIDING



SYNTHETIC (CULTURED)
STONE



EXTERIOR INSULATION &
FINISH SYSTEM



KEY PLAN

WHEELER ARCHITECTS, P.C.
1500 ROUTE 285
WESTY, NEW YORK 12581
MONTICOUNTY

• 1500 Bed Skilled Nursing Facility (SNF)
• 40 Bed Assisted Living Program (ALP)
• 31 Registered Adult Day Health Program (ADHP)
• 1500 Bed Skilled Nursing Facility (SNF)



School of Architecture
1500 ROUTE 285
WESTY, NEW YORK 12581
PHONE: 518-474-8501
FAX: 518-474-8501

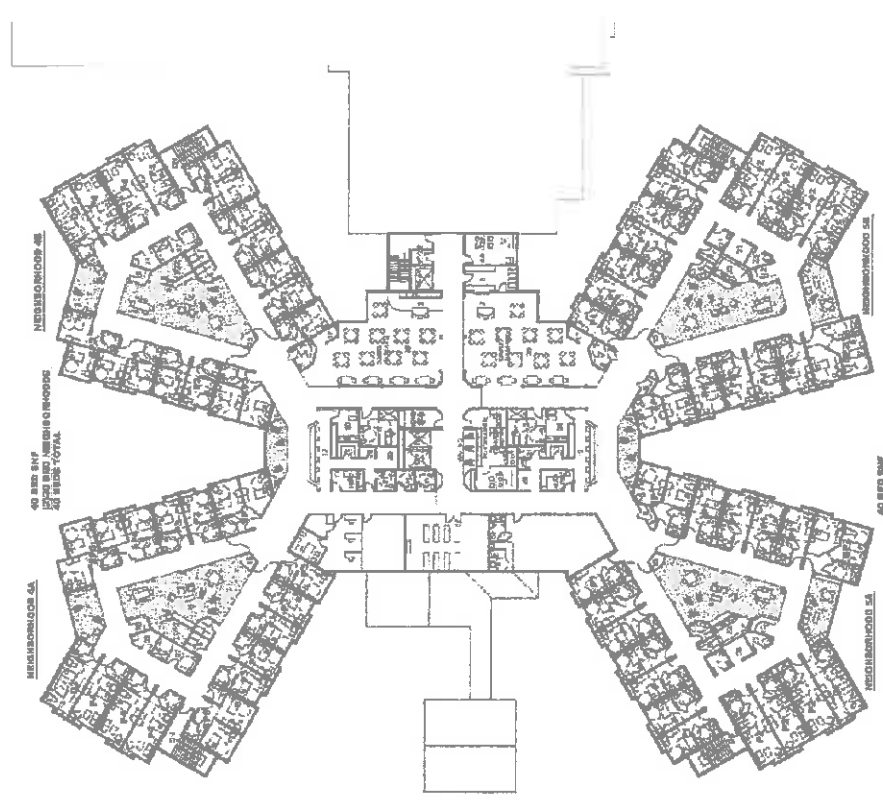
NO.	DATE	BY	REVISION
1	11/11/11	W.A.	AD. ENTRY
2	11/11/11	W.A.	AD. ENTRY
3	11/11/11	W.A.	AD. ENTRY
4	11/11/11	W.A.	AD. ENTRY

EXTERIOR
RENDERINGS &
FINISHES

R1.1

11/11/11





1 Second Floor Plan 1'-0" = 1'-0"

